

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF SENTRA CORPORATION)	
FOR A CERTIFICATE OF CONVENIENCE AND)	
NECESSITY TO CONSTRUCT FACILITIES,)	
APPROVAL OF FINANCING, APPROVAL OF)	CASE NO. 97-429
INITIAL RATES AND OPERATION OF A)	
NATURAL GAS DISTRIBUTION SYSTEM FOR)	
THE CITY OF FOUNTAIN RUN, KENTUCKY)	

O R D E R

IT IS ORDERED that Sentra Corporation ("Sentra") shall file the original and 8 copies of the following information with the Commission within 14 days of the date of this Order, with a copy to all parties of record. Each copy of the information requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. Where requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this Order.

1. Refer to Sentra's Application, Exhibit 4.

a. Has Sentra revised its estimates of the projected revenues and operating costs for the Fountain Run Gas System?

b. If yes, provide the revised estimates and state the reasons for these revisions.

2. Provide a current corporate organization chart for Sentra. This chart shall, inter alia, list all Sentra employees, identify these employees' positions, and describe their responsibilities. This chart shall further identify those employees who will be responsible for the operation and management of the Fountain Run Gas System and their responsibilities.

3. a. Provide an operating statement for Sentra for calendar year 1997.

b. Provide a balance sheet for Sentra for calendar year 1997. This balance sheet shall include, inter alia, Sentra's assets and other debits and equity capital and liabilities.

4. Refer to Sentra's Response to Request for Information, Item 1, and Sentra's Petition for Rehearing, Exhibit 2.

a. Do the referenced documents contain all provisions of Sentra's Articles of Incorporation that are currently in effect?

b. If no, provide all other documents which contain currently effective provisions of Sentra's Articles of Incorporation.

5. At page 2 of its Application, Sentra states that "[d]ue to the relatively small amount of capital required to install the gas system it will be funded from equity investment."

a. Define "equity investment."

b. Identify the equity investors and the amount of equity that each will provide.

c. For each person or entity listed in Sentra's Response to Item 5(b), identify all other utility-related operations in which he or she is involved and describe the extent of that involvement.

6. a. Describe the extent of Sentra's affiliation, if any, with Daughtery Petroleum, Inc.

b. Describe the extent of Sentra's affiliation, if any, with Alaska Apollo Resources, Inc.

7. Refer to Sentra's Application, Exhibit 4.

a. For each operating expense listed, explain how the estimated expense level was derived. Include with the response all workpapers and supporting documents used and state all assumptions upon which the estimate is based.

b. For any expenses which are allocated:

(1) Identify the entity with whom the cost is shared.

(2) Describe the methodology used to make the allocation.

(3) Explain why the chosen allocation methodology is reasonable.

c. (1) Based upon its estimated operating costs, how many persons will Sentra employ to operate and manage the Fountain Run Gas System?

(2) If more than one person will be employed, provide the wage and associated costs for each employee. If employee wages represent a shared or allocated cost, provide the information requested in Item 7(b).

8. Refer to Sentra's Application, Exhibit 5. For each unit price listed, explain how that price was determined. Provide all supporting workpapers and related documents and state all assumptions and estimates used.

9. Provide a depreciation schedule for the proposed utility plant.

10. What level of return on equity did Sentra use when developing its initial rates?

11. a. Provide a construction schedule for the proposed project.

b. State the date when the proposed gas system is expected to begin operations.

12. a. Does Sentra have an agreement with Clay Gas Utility District for the services that the District will provide?

b. (1) If yes, provide the agreement.

(2) If no, state how the \$1.00 charge was determined.

c. What type of entity (e.g. private corporation, governmental unit) is the Clay Gas Utility District?

d. Is the Clay Gas Utility District affiliated with Sentra? If yes, explain the nature of the affiliation.

e. What services will the Clay Gas Utility District be providing to Sentra?

13. a. What consideration, if any, did Sentra give to using the Columbia Gulf Pipeline as its source of supply?

b. Why did Sentra not use the Columbia Gulf Pipeline as its source of supply?

c. Provide all documents in which Sentra discussed the Columbia Gulf Pipeline as a source of supply for the Fountain Run Gas System. These documents should include all correspondence with Columbia Gulf Pipeline.

14. Provide all correspondence with the Clay Gas Utility District regarding service to the proposed Fountain Run Gas System.

15. a. Provide all documents in which Sentra discussed the Texas Eastern Pipeline as a source of supply for the Fountain Run Gas System.

b. Provide all correspondence with Texas Eastern regarding service to the proposed Fountain Run Gas System.

16. a. From whom will Sentra be acquiring natural gas?

b. Provide the contracts that form the basis for the \$2.95 per dth cost of gas and the \$1.00 transportation charge.

17. Refer to Sentra's Application, Exhibit No. 4. Why does the calculation of projected revenue from residential and commercial customers for 1998 not include customers served from the 3-inch polyethylene ("PE") supply line when other revenue projections include revenue from these customers?

18. Refer to Sentra's Application, Exhibit No. 4.

a. For what is the monthly meter charge of \$50?

b. To whom is this charge paid?

c. If paid to the same entity that is charging \$1.00 per dekatherm for transportation service, explain why this charge is paid?

19. Refer to Sentra's Application, Exhibit No. 4.

a. Why are revenues from monthly customer charges calculated twice?

b. Why is there no inclusion of revenues from the proposed \$10.00 industrial customer charge in Total Revenues?

c. Are customers to be served from the 3" PE line included in revenues from customer charges? If not, should they be?

20. a. What is the basis for the estimate of natural gas customers for the first three years of operation?

b. Did Sentra conduct prospective customer interviews or surveys? If yes, provide the results of these interviews or surveys.

c. What is the estimated number of customers on the Fountain Run Gas System after 10 years of operation?

21. a. Why is Cagle's Broiler Houses classified as an industrial customer instead of residential/commercial?

b. Will it be considered as more than one customer? If yes, how many?

22. Provide cost support for the proposed \$5.00 and \$10.00 customer charges.

23. Why is a \$3.00 per month per customer meter reading and billing expense set out separately in operating expenses when a customer charge is proposed?

24. Why is Sentra proposing to bill its customers in dekatherms instead of Mcf?

25. a. What is the design capacity for the proposed main gas supply line?

b. Provide all workpapers and related documents that support Sentra's response to Item 25(a).

26. How will Sentra odorize its gas?

27. What are the additional costs to the proposed project, if any, should Sentra install a 4-inch SDR 11 PE supply pipeline instead of the proposed 3-inch pipeline?

28. a. What is the minimum trench depth for the proposed supply pipeline?

b. (1) Does Sentra agree that Administrative Regulation 807 KAR 5:022, Section 7(15)(a), requires a minimum trench depth of 36 inches for those portions of the proposed supply pipeline that run on or along public highway rights-of-way?

(2) Does the proposed supply pipeline comply with Administrative Regulation 807 KAR 5:022, Section 7(15)(a)?

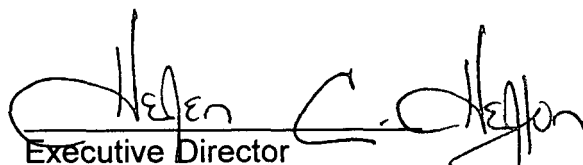
29. Provide all documents related to bidding on the proposed project.

Done at Frankfort, Kentucky, this 10th day of April, 1998.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director